



Office of Internal Audit Monthly Internal Control Tip

Gain an understanding of preventive control activities.

Internal control is broadly defined, “as a process, effected by an entity's management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives.” Agency and/or departmental objectives will vary depending on the role of the agency or department within Louisville Metro Government. Objectives are detailed in the applicable departmental Strategic Plan along with action steps to ensure successful completion of objectives. Control activities are actions taken to eliminate or reduce risk that could threaten the achievement of objectives. There are two key types of control activities, preventive and detective. Detective control activities will be explored further in the July Monthly Control Tip. Preventative control activities are defined below.

Preventive control activities are designed to deter the occurrence of an undesirable event. The development of these controls involves predicting potential problems before they occur and implementing procedures to avoid, reduce or eliminate risk associated with the problem. Properly designed and enforced preventative controls are the first step in controlling risk. Below are common preventive internal controls which could assist you in achieving your objectives:

- [Policies and Procedures](#)
- [Segregation of Duties](#)
- Required Authorizations Signatures
- Data Entry Checks
- Electronic Access Security
- [Physical Access Security](#)
- Supervision
- [Documented Review and Approval](#)

*Click the preventive control activity to review the related Monthly Internal Control Tip.

This tip is brought to you by the Office of Internal Audit. Previous Monthly Internal Control Tips can be found on the Office of Internal Audit’s webpage, located [here](#).